



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0197E1

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24th Session
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O. Eng.

Brussels, 26 July 2001.

POSSIBLE AMENDMENTS TO THE NOMENCLATURE AND
EXPLANATORY NOTES TO CHAPTER 24

(Item III.A.6 on Agenda)

Reference documents :

42.083 (HSC/21)	NR0160E1 (RSC/23)
NC0090E2, Annex IJ/1 (HSC/23 - Report)	NR0161E1 (RSC/23)
NC0284E1 (HSC/26)	NR0164E1 (RSC/23)
NC0340E2, Annex G/2 (HSC/26 – Report)	NR0165E2, Annex C/9 (RSC/23 – Report)
NR0144E1 (RSC/23)	NR0174E1 (RSC/24)

I. BACKGROUND

1. After the preparation of Doc. NR0174E1, the Secretariat received the following Note from the administrations of Romania (17 July 2001) and Malaysia (23 July 2001).

II. NOTE FROM THE ROMANIAN ADMINISTRATION

2. "The Romanian Customs Administration feels that amendment of the Explanatory Notes could suffice not only to clarify the problems relating to the classification of **non-aromatic cut tobacco consisting of fermented, stemmed and stripped tobacco leaves which have been cut into narrow strips**, but also the classification of the other products falling in headings 24.01 and 24.03.
3. In support of this view, the Romanian Administration wishes to submit a new and more detailed proposal for your analysis concerning the amendment to the Explanatory Notes to headings 24.01 and 24.03.

File No. 2653

4. Romania proposes the following three amendments to the Explanatory Notes :
- (a) That item (1) of heading 24.01 be reworded as follows :
“(1) **Unmanufactured tobacco** in the form of whole plants or leaves in the natural state or as cured or fermented leaves, whole or stemmed/stripped, but not cut or cut to shape.”
 - (b) That item (1) of heading 24.03 be amended as follows :
“(1) **Smoking tobacco, whether or not containing tobacco substitutes in any proportion**, for example, manufactured tobacco for use in pipes or for the industrial or artisanal manufacture of cigarettes.”
 - (c) A further proposal is to supplement the Explanatory Note to heading 24.03 with a new item which would read as follows :
“(8) **Stalks, stems, midribs and other parts of expanded tobacco leaves**”.

Romania wishes to point out the following in support of its proposal :

- The amendment sets a very clear demarcation line between the two headings without affecting the Harmonized System Nomenclature;
- The existence of a material criterion, namely cutting, permits the proper tariff heading to be determined with certainty;
- This amendment would remove the need to create a new tariff heading and any potential disadvantages of such a decision would therefore disappear;
- The amendment also clarifies the problem of classifying of “expanded tobacco” used principally in the manufacture of “light” cigarettes.

III. NOTE FROM THE MALAYSIAN ADMINISTRATION

5. "We agree with the Director's opinion for the creation of one heading for unmanufactured products, another for finished product and a third for other products including intermediate products so as to ensure a clear demarcation of the nature of the product in question."

IV. CONCLUSION

6. The Sub-Committee is invited to take account of the above comments by the Romanian and Malaysian Administrations when examining this Agenda Item.
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